

HOUSE BILL REPORT

HJR 4200

As Reported by House Committee On:
Education

Brief Description: Amending the Constitution to allow a simple majority of voters voting to authorize school district bonds.

Sponsors: Representatives Stonier, Berg, Duerr, Fitzgibbon, Kloba, Chapman, Davis, Senn, Wicks, Santos, Ormsby, Slatter, Gregerson, Bergquist, Hackney, Valdez, Ramel, Callan, Ramos, Riccelli, Macri, Goodman, Frame, Harris-Talley and Dolan.

Brief History:

Committee Activity:

Education: 1/18/22, 2/3/22 [DP].

Brief Summary of Joint Resolution

- Proposes a constitutional amendment to authorize school districts to issue general obligation bonds for capital purposes, levy taxes to make payments on those bonds, and exceed a constitutional debt limit with approval by a simple majority of the voters, voting on the proposition, rather than approval by 60 percent of the voters at a general election where the total number of voters is at least 40 percent of the total at the last preceding general election.

HOUSE COMMITTEE ON EDUCATION

Majority Report: Do pass. Signed by 8 members: Representatives Santos, Chair; Dolan, Vice Chair; Berg, Bergquist, Callan, Ortiz-Self, Steele and Stonier.

Minority Report: Do not pass. Signed by 3 members: Representatives Ybarra, Ranking Minority Member; McCaslin and McEntire.

Minority Report: Without recommendation. Signed by 2 members: Representatives Walsh, Assistant Ranking Minority Member; Rude.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Megan Wargacki (786-7194).

Background:

General Obligation Bonds.

The board of directors of a school district may borrow money and issue bonds for any capital purpose. The amount that may be borrowed is limited by the Washington Constitution (Constitution) and state statutes. The Constitution sets a debt limit for school districts at 1.5 percent of the assessed value of property in the district, but the Constitution permits districts to exceed this limit for construction, up to 5 percent indebtedness, with approval of at least 60 percent of the voters at an election where the total number of voters is at least 40 percent of the total at the last preceding general election. State statute imposes a lower threshold of 0.375 percent indebtedness, but allows school districts to exceed this threshold to a total indebtedness of 2.5 percent for capital outlays with the approval of at least 60 percent of the voters voting.

Bond Levies.

School districts may levy taxes above the 1 percent limit to make required payments of principal and interest on bonds issued for capital purposes, if approved by at least 60 percent of the voters at an election where the total number of voters is at least 40 percent of the total at the last preceding general election.

Constitutional Amendment.

To amend the Constitution, the amendment must be approved by two-thirds of the members elected to each house of the Legislature, and then approved by a majority of the voters in the next general election.

Summary of Bill:

A proposed constitutional amendment must be submitted to the voters at the next general election to change the voter approval requirement for school district bonds and bond levies. Under the proposal, school districts may: (1) issue general obligation bonds for capital purposes; (2) levy taxes to make payments on those bonds; and (3) exceed a constitutional debt limit, with approval by a simple majority of the voters voting on the proposition.

Appropriation: None.

Fiscal Note: Available.

Staff Summary of Public Testimony:

(In support) There are inequities in the ability of students to have new schools, particularly when current schools have health and safety hazards. The standard for legislators to win an election is simple majority. Students should also have access to new schools if the majority of voters in their district approve the construction. It should be up to the majority of voters to decide.

Until there is a simple majority requirement for school construction bonds, there will not be a quality statewide school system. The original Constitution allowed for simple majority and was not amended until World War II. Between 2017 and 2020, 130 school bond measures were run, 62 of these met the 60 percent voter approval threshold, while 15 failed to reach 50 percent. This means that 53 school districts met a simple majority approval threshold, but their students were denied new or renovated schools due to the outdated 60 percent approval threshold.

Not being able to pass a bond for school construction causes students and staff to have to be in old buildings that have health issues, like asbestos in ceilings, lead in water pipes, and overcrowding. This is not a quality environment for students or staff. Health and safety problems with buildings need to be addressed in a reasonable time before the building condition deteriorates to the point where repairs cost more money to resolve and before construction costs increase.

Some areas of the state are experiencing rapid student enrollment growth and need additional buildings to address overcrowding. There are not spaces for students to receive specialized instruction, so opportunities for students to learn and grow are reduced. This is not a tax increase. It is about voter approved actions to ensure that students are learning in the best possible environments that communicates can and want to afford.

(Opposed) If the House Joint Resolution is approved and the Constitution amended, it will change forever how levies and tax increases can be approved. The Constitution has important controls and limitations on school spending and taxing of the citizens of the state that include the 60 percent voter approval requirement for tax increases. This bill will allow communities to exceed the debt limit with simple majority regardless of the number of people that come out to vote. Property taxes are at an all-time high and there is record inflation. If anything, the state should make it harder to increase taxes. Schools have been taking more and more tax dollars without improvements in student achievement. There are lots of students leaving public schools.

(Other) The 60 percent voter approval threshold is a safeguard in the Constitution that requires a higher level of agreement before school officials are allowed to impose long-term debt on the community and their own students, who are not able to participate in the decision. The interest on school construction bonds can add hundreds of millions of dollars onto the cost of repayment and diverts dollars from education programs to interest payments.

The 60 percent threshold does not prevent most bond levies from passing; in 2017, 64 percent of school districts seeking bond levies received voter approval, resulting in \$1.9 billion in new funds. Lowering the 60 percent threshold would remove a key incentive for officials to propose reasonable construction projects that gives communities meaningful input on scope and expense. The burden of debt is already high—taxpayers are paying off \$21.2 billion in existing long-term school bond debt. The 60 percent is a safeguard against families paying heavy and regressive taxation and is a successful policy that Washington has had for over 70 years.

Persons Testifying: (In support) Representative Monica Jurado Stonier, prime sponsor; Jon Holmen, Lake Washington School District; Melissa Stone, Washington State PTA; and Tom Seigel, Bethel School District #403.

(Opposed) Val Mullen.

(Other) Liv Finne, Washington Policy Center.

Persons Signed In To Testify But Not Testifying: None.